



General Fund 2013 – 2014

January 29, 2014

- Today's work session:
 - **General Fund overview of 2013 – 2014 budget**
 - **General Fund actual performance through December 2013**
 - **General Fund projections through 2014**
 - **National and regional economic outlook**

General Fund 2013 – 2014

Summary

- 2013-14 General Fund budget includes \$11.9 million from unassigned reserves
- Current forecast expects to use \$6.3 million
- Reserves projected at 44 days by end of 2014
- Additional savings by end of 2014 could improve reserves
- Moderate economic growth on track with budget forecast

2013 – 2014 spending plan

▪ Planned expenses	\$315.7 million
▪ Planned revenues	
2013-2014 revenues	\$298.0 million
Reserves – dedicated funds	\$5.8 million
Reserves – unassigned	\$11.9 million
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	\$315.7 million

2013 – 2014 revenues and expenses (in millions)

2013

▪ Budget capacity not spent (expense savings)	+\$2.8
▪ Revenue on track	\$0
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	+\$2.8

2013–2014 projected

▪ Budget capacity not spent (expense savings)	+\$5.6
▪ Revenue on track	\$0
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	+\$5.6

Outlook for unassigned reserves

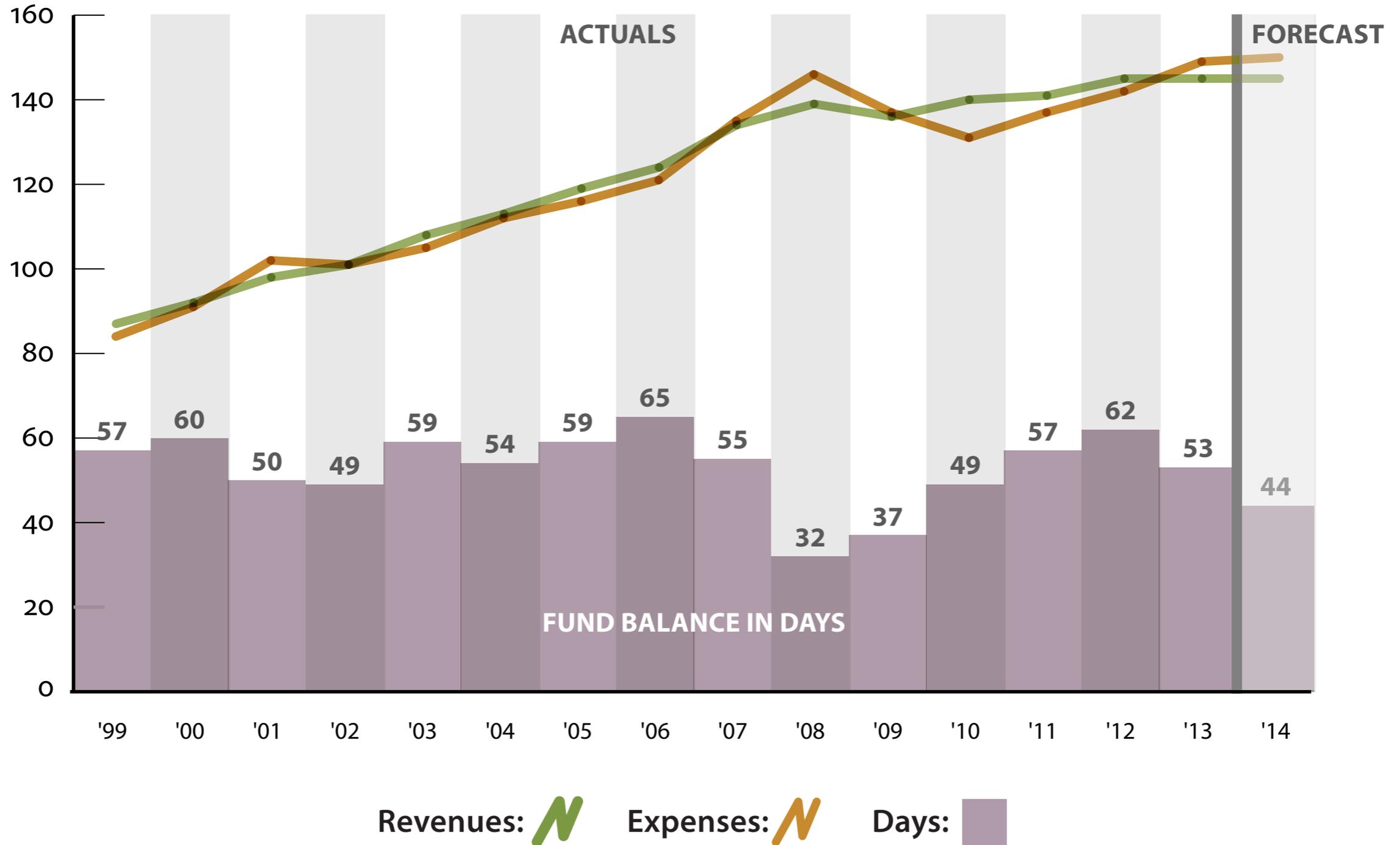
- **January 2013** **+\$24.2 million** ⁶²days
 - **Included in current budget** **-\$11.9 million**
 - **Budget capacity not spent** **+\$5.6 million**

 - **December 2014**

+\$17.9 million ⁴⁴days
- Savings could be greater, increasing reserves

General Fund 2013 – 2014

Projected fund balance



ECONOMIC INDICATORS

National economy

- Steady slow growth continues as forecasted
- Most indicators positive, some still below healthy levels
 - Consumer confidence 78.1 in December, up from 72 in November (values >90 = healthy)
 - GDP growth of 2% expected in the last quarter of 2013, slightly below 3% in 2014 (3% typical, 5-6% = strong growth)
 - Home sales slowed at the end of 2013 — higher mortgage rates, tighter credit, low inventory

ECONOMIC INDICATORS

Clark County indicators

- Job growth = 2.9% in 2013, with gains in construction, financial services, and leisure/hospitality
- November unemployment rate was 8.2%
- Portland 6.3%, Washington 6.4%, nation 6.6%
- Single-family home permits = 1,539 through November, up 31% from 2012
- Homes for sale in December = 4.5 month inventory
- 2013 home sales up 19.1% from 2012; median price up 15.6% in 2013 = \$224,900
- 2013 sales tax revenues up 8% from 2012 (compares with 2007)

